

Paul Green notes for Nutrition Power Point

1. Introduction
MY ROLE IS TO SET OUT A POINT OF VIEW AND CONTEXT FOR FRED. I'LL TRY TO SET THE STAGE FOR A DISCUSSION OF POLICY AND RESOURCES RELATED TO ADDRESSING MALNUTRITION AND CHRONIC ILLNESS- PARTICULARLY HIV-AIDS.
2. FIRST THE BACKGROUND ON HOW WE COME TO HAVE INTEREST IN THIS-
NAMA Represents 46 Companies operating over 170 corn, wheat, oat and specialty mills in 38 states. We represent over 95% of US milling capacity. We are proud to add value to US Agriculture's incredible bounty and supply people with an amazingly wholesome ingredients for nutritious foods. While only a small portion of our business is in export food aid, we have a growing passion for this mission, as you will see. Or if you were at the presentation by our Chairman at the breakout session on the human face of food aid, you've already sensed that passion.
3. NAMA members have a long history of providing the products for US food aid that are the most highly fortified and provide as broad a nutrition profile in a cost effective manner as possible. We're the manufacturers of enriched wheat flour, CSB, Corn Meal, Bulgur, and lots of other soy fortified grain foods. While we aren't experts in development per se, we are active participants in the policy dialogue on these programs. We take a business approach toward policy and resource issues and try to assist those on the front lines to accomplish this wonderful mission. In that business like approach, we are broken records on the need for consistency in programing, budgeting and overall management.
4. As further background, we want to note that value added products, including blended and fortified foods are a major part of the overall food aid initiatives.
5. Our goal is to be the preferred products for interventions related to all the types of projects that achieve the goals of the development

implementing partners or PVOs. You have some brochures at your table that describe our desire to be good and effective partners in development, emergency and chronic disease interventions. But enough of the advertisement for NAMA. To further enhance our position as a policy advocate, we undertook an unprecedented and bold initiative this winter. We sent 4 top executives of US milling firms. The CEOs of the milling industry to Ethiopia to see firsthand the projects of both emergency and development.

6. It was an eye -opening educational experience and a life-changing exercise. One of the results is that we now have a group of the highest level corporate executives who are vocal, committed advocates of the humanitarian interests represented by these programs and can speak with knowledge about the goals and policy needs. The timing could not have been better. NAMA believes that the issues the food aid programs will be facing in the next two years will be huge challenges- The Nexus between nutrition and HIV/AIDS, budget issues following the election, WTO framework negotiations and biotech hurdles will require passionate, knowledgeable spokespersons from the corporate, as well as humanitarian background.
7. Some of the things our executives came away from the mission with are already known to you in this room, but I want to note a couple of insights gained that influence our focus on the issues of malnutrition as a public health issue. It is hard to describe how complex the challenges that are faced by food aid beneficiaries are. However, most of the worst situations are directly traceable to poverty. For the purposes of this discussion, that is most clearly represented in problems of undernutrition. Cade has explained the nexus between nutrition and health, but no where is that more evident than in victims with HIV/AIDS.
8. Before I get into the policy and resource ramifications of nutrition and HIV/AIDS I want to explain one point that was evident to us as millers in the development projects that we observed in Ethiopia. These issues are becoming more important as we deal with people who are nutritionally compromised and dealing with HIV or AIDS. This picture shows people receiving distributions of wheat grain that was then

transported, most often manually, miles, sometimes 10-15 miles to the nearest grinder, for milling at high cost both in cash and calories expended. Only to get a product that was distinctly less nutritious than if they had been provided enriched flour in the beginning.

It may sound self-serving to point this out, but the false economy and hardship imposed by the distribution of less nutritious whole grain, was evident. Obviously, this is a site-specific issue (If this were in a city with commercial mills we might come to a completely different conclusion. While this discussion is quite complex, NAMA would welcome further dialogue with all implementing partners. We feel it is imperative to avoid net nutritional loss to beneficiaries from by providing a readily usable product in our direct distributions. Picking the RIGHT nutrition intervention is very important.

This is probably a good time to point out the important role that enrichment and fortification play in getting nutrition to the nutritionally compromised beneficiaries. Since all our products are enriched and/or fortified, we feel very strongly about the priority that should be placed on getting the highest nutrition products to this at risk population.

9. I'm going to transition now to the specific topic we wanted to discuss. The need for effective programming of food aid to fight the HIV/AIDS Pandemic.
10. You have all heard of the President's Emergency Program for AIDS Relief or PEPFAR and some of you know that it has 3 specific goals. The first is related to placing AIDS positive patients into direct drug treatment. This treatment goal will center around Anti-retroviral or ARVs. The second goal is the prevention of 7 million new infections and lastly the care for 10 million of those affected by the disease, who likely will not ever receive pharmaceutical interventions. The Initiative does not have any specific resources devoted to nutrition or the ability to directly use food aid to assist in their goals. Many of us in Washington have engaged the directors of the President's initiative in dialogue on this issue and I want to report on those meetings.

11. It is very clear that Dr. Randall Tobias, Administrator of the Initiative has a clear understanding of the need for nutrition as a focus, if the Initiative's goals are to be met. He has met with several PVOs, industry groups, WFP and others in the US G and expressed that understanding.

Just as clear is that they don't want to be running their own food aid program and they don't have a budget to share. In fact, there is concern about mission creep that would divert their budget into an unfocused development program, rather than an AIDS program. The focus from the policy point of view must then be on the integration of the current food aid programs with the objectives of the President's initiative. It's mandatory that we get Title II development resources coordinated with the goals, if we're to be effective against the pandemic.

12. Here's the rub with that scenario- We have a Title II budget that is mandated by congress to spend 75% of its resources on nonemergency programs, but recently, budgets have been managed to hold back far more than half of the budget as earmarks for emergencies. In fact, this year, as you can see from the USAID provided figures, less than 40% of this years budget is for development. In meetings we've had with OMB, we've been told that they plan for emergencies and to use the Title II program as the main source of funding for those contingencies.

The effect on this year's shipments are that the 2004 budget appropriations language instructs FFP to use 1.875 million tons of food for the non-emergency programs. In fact, only 1 mmt. are going to be used for non-emergency programs this year.

13. Clearly, with the emergency earmarks, it is going to be impossible to find resources to divert to HIV/AIDS nutrition support. Unless there is a change in that approach, we'll be hard pressed to find resources to integrate the HIV/AIDS programs and Title II food aid.
14. Therefore, NAMA has supported a coalition that has taken on this issue and is actively supporting the following actions:

Higher HIV/AIDS priority in development and more development resources

Lower set-asides of budgets for emergencies

Use of the Bill Emerson Humanitarian Trust if emergencies occur

15. This fits into NAMA's overall advocacy thrust that nutrition in HIV/AIDS is a priority, that Orphans and Vulnerable Children should be a focus and that the McGovern Dole food for education and child nutrition programs should be fully funded and supported.
16. NAMA is committed, vocal passionate about this topic and the compelling arguments for this as a national priority. If you feel as strongly as we do about this, we invite you to join in the fight for policy change and resources to make food aid the most powerful tool available to fight chronic disease and HIV/AIDS in the world. Now I want to introduce Fred Luckey, Exec VP of Bunge Milling who will add his perspective to these remarks.